



MARKETING OPPORTUNITIES IN THE MEDICAL TOURISM DEVELOPMENT

MĀRKETINGA IEPSPĒJAS MEDICĪNISKĀ TŪRISMA ATTĪSTĪBĀ

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Abstract. Due to the demographical changes and the currently booming health industry, the medical tourism sector has a great future potential. This paper provides an analysis about the medical tourism market itself and gives an insight in the field of marketing opportunities in the medical tourism development. Therefore, to give a basis for the further development of marketing strategies, the consumer behaviour will be analysed. In addition, a theoretical overview about used and useable Marketing methods in the medical tourism industry will be out-lined. The used scientific methods within this research work are as the following: content analysis, graphical analysis and synthesis, reference methods, logical and abstract constructive methods.

Keywords: development, international health care, marketing opportunities, medical tourism

1. Introduction

Due to demographical changes, the health industry expects an enormous growth in the current and coming decades. The insurance of the own fitness and health gets more and more important in developed, but also in developing countries. The continuous globalization leads to a worldwide health care system, which provides the basic framework for international travel due to medical reasons. The field of medical tourism has a low knowledge level until today and therefore offers several research possibilities. The research problem of the following article can be defined as Marketing in medical tourism and is closely connected with the aim, which is the Research of marketing opportunities in the medical tourism development.

The hypothesis is, that the marketing opportunities within the medical tourism development are not fully exhausted yet. To evaluate this thesis, the article will fulfil several tasks, which are described in the following:

- To analyse the consumer behaviour to achieve a basis for the development of marketing strategies
- To give a theoretical overview about used and useable marketing methods in the medical tourism industry

Therefore, the object of the research paper can be defined as medical tourism. The consumer behaviour within the medical tourism industry and the opportunities in terms of marketing strategies are part of the research's subject. The used methods are as the following: content analysis, graphical analysis and synthesis, reference methods, logical and abstract constructive methods. The theoretical basis consists of scientific research and articles, statistics of the European Union, Canada and the United States of America, periodicals and general literature in the field of business administration, economics, marketing management and tourism. The research took place between January and May 2017.

2. Consumer behaviour

The knowledge about the consumer behaviour in the medical tourism industry is essential and the basis for the development of an appropriate Marketing strategy and the possible evolution of opportunities within this field. Firstly, reasons and aims, which trigger medical tourists will be described and completed by an overview about the nature of the existing medical tourism demand. Furthermore, the travel process, which leads to an explanation of the development of consumer demands and the final decision making, will be analysed.

2.1 Nature of medical tourism demand

In the following, a brief overview about the nature of the medical tourism demand will be given by analysing its key elements:

- **Offer:**

Generally, a medical trip contains of two parts, the treatment and the holiday part, which can be combined flexible depending on the necessary procedure. Even though all medical issues can be treated internationally, there are four major groups, in which most treatments can be divided: illness, cosmetic surgery, dental care and eye-treatments (Danell, Mugomba, 2007, pp.17).

- **Social Aspects:**

A rise of the medical tourism industry can cause an increase of revenues and a positive and international image for the destination (Herrick, 2007, p.5). Nevertheless, the structure of the medical tourism branch leads to a discussion, which features, if international patients are taking away the facilities for an advanced domestic healthcare (Danell, Mugomba, 2007, pp.17). According to Tarun Khanna, professor from the Harvard Business School, both scenarios are not related with each other, which is expressed in the following quote:

“The assumption seems to be that if medical tourism was banned, the doctors in question who were catering to wealthy patients would suddenly, as a practical matter, move to a village. It takes a different set of individuals, a different set of infrastructure circumstances to create that scenario.”, (Lagace, 2007)

Therefore, medical tourism does not need to be limited due to social reasons related to the domestic health care system and can, in some cases, even improve the infrastructure and facilities within a certain country.

- **Legal framework:**

While analysing medical tourism in a world based context, it becomes clear that a lack of appropriate legislations is existing. Especially for patients without health insurance, possible complications after a treatment in a foreign hospital can lead to serious financial and health problems.

Furthermore, problems can arise, when future patients need to apply for a visa to visit the chosen medical tourism destination, as the tourist-visa normally doesn't fulfil the regulations of a trip due to medical reasons. To avoid the complications of visa-regulations, some countries, as for example India, started to issue “medical visa”.

General regulations and legislation need to be developed to guarantee standards and terms in all medical tourism destinations and within all companies and suppliers, who are related to this industry. As the human health is a very sensitive subject, it is from high importance to ensure the professionalism within this tourism niche.

- **Infrastructure:**

The infrastructure in a medical tourism destination consists not only of the availability and quality of the medical service, but relies also on the local community, medical advances in the accessible technology and human resources, especially in terms of medical staff.

Specifically, in developing countries, one of the key supporter of the medical tourism industry has to be the local government, which needs to invest in facilities, but even more important, in human capital and image building. For a further growth, the access to medical tourism supplier should be eased and the logistic system must run smoothly.

In already highly developed countries, the current trend is vis-versa. Countries as Switzerland, the United Kingdom or Norway are seeking for a privatization of the health-care sector, which generally leads to higher efficiency and at the same time, higher costs.

- **Distribution:**

In the medical tourism branch exist two possible ways of distribution: through intermediaries or directly from the supplier to the customer. As intermediaries normally charge a surplus or an additional fee, it is necessary to explain the value behind the function of an intermediary. Generally, they fulfil the tasks of generating a local availability of a certain service and package and gather these services. Intermediaries usually operate from the home country of the consumer and can therefore create an atmosphere of trust. In terms of direct distribution, the supplier often cooperates with local tourism services in the destination to be able to offer a complete medical tourism product, consisting of medical and leisure parts. Patients will only choose a destination and accordingly a supplier, which can communicate trust and quality successfully (Danell, Mugomba, 2007, pp.17).

2.2 Travel process

Before medical tourists are travelling, a period of planning and research takes place, which can be described by the term Pre-Trip. The process of Pre-Travel can be divided into the steps motivation and research. The motivation for medical tourism can mainly be found in unmet healthcare needs at home. High costs and dissatisfaction with the health care system, which is provided domestically are the key drivers for medical tourism. Furthermore, most medical tourist experience the possibility to travel to a foreign country as appealing (Casken, Eissler, 2013).

While the patient need to find the Motivation for travelling abroad within their personal environment, which is highly related to national health care systems, the research part depends more on medical tourism supplier. Possible future consumer use newspapers, Internet, radio, books, but especially personal contacts and references to research about medical tourism (IUBH, 2016, p.6). Foreign treatments are only chosen, if enough information about the treatments, prices and expected quality are provided before the trip. Without these information, possible future clients will not even evaluate foreign health care as an option. Medical tourism supplier need to be visible on an international platform to be considered from foreign patients. A strong marketing is therefore highly necessary (Carrera, Runnels, 2012).

One of the key aspect for a successful medical journey, which can be influenced by the supplier, is the communication, which is closely related to the reassurance during the trip. The transparency before, during and after needs to be ensured, to create a safe environment for the patient. It is necessary to provide clear and understandable information about the expiration and the cost structure. Furthermore, it is from high importance to ensure that the patient feels safe and in good hands. In this context, it is helpful to keep language barriers as minimal as possible and to employee friendly and competent staff (IUBH, 2016). Follow-up care and advise from the side of the supplier is highly important for the success of the treatment and the wellbeing of the patient. A good relation with domestic health care supplier can support the process and ensure that it is running smoothly (Casken, Eissler, 2013).

Generally, the process shows, that a clear presence of the supplier is necessary during all steps. Key elements for a satisfied customer are transparency and a clear communication, which can even attract further patients and create a positive image by itself.

3. Marketing methods in medical tourism

By using marketing methods, supplier can understand the demand of future clients and are able to present the own product accordingly. Consequently, the marketing concept is one of the key elements of every business strategy. The difficulty in promoting the sensible health sector can be seen in the high amount of existing consultancies and Public Relation agencies, which are settled in the industry.

Generally, the medical tourism industry consists of three different actors on the supplier side, the clinics and hospitals, the intermediaries and the destination itself. Therefore, the medical tourism marketing concept is diversified, as destinations, treatments or bundled medical trips are promoted differently and separately. The marketing concept, which can lead to a change of

the image and therefore cause a higher demand, was developed by Freyer and consists of five parts (Freyer, 2011, p.349):

- **Cooperation**

A cooperation can be understood as a voluntary collaboration between two or more partners. In terms of medical tourism marketing, cooperation face an increasing importance, as personal and financial resources can be bundled and therefore synergies can occur (Freyer, 2009, p.536). To support a growth of international patients, it is necessary to build cooperation across the border. With an international network of European experts, a destination can present itself as a high quality medical tourism destination. As health care is a very sensitive topic, future patients mainly rely on personal recommendations. Therefore, supplier need to build strong collaborations on the one hand and satisfy further patients due to high quality- and service-level on the other hand to create a positive feedback through testimonials.

- **Digital and Printed Media**

Several possibilities to combine marketing methods within printed and digital media are existing. Options can include brochures, poster, radio or TV spots, branding, the use of social media and further more (Freyer, 2009, p.610).

As typical for the advertisement of tourism products, the actors within the medical tourism industry mainly focus on event marketing (**promotion**) or print media, as for example scientific journals or even aircraft magazines. As well, documentaries, shown on TV, can cause a higher interest in the branch. Especially hospitals use advertisement to strengthen their professional image. Therefore, the education background and experience of the staff might be published. In addition, appealing factors, as the possible combination with leisure and tourism or the exotic character of a destination is underlined to show the positive sides of seeking healthcare across borders (Danell, Mugomba, 2007, pp.17).

- **Personal Sales**

Positive effects of personal sales are, that central information can be given and it is possible to react directly to upcoming problems. If this is the case, Personal Sales can improve the image of a tourism product rapidly (Bieger, Beritelli, 2013, p.187).

Personal Sales outside of a destination can only be realised with the help of partners, therefore the aspect of Personal Sales is strongly related with international cooperation. It is necessary to build strong networks with foreign travel agencies and medical tour operator to ensure the possibility of Personal Sales in the country of origin of future patients.

- **Promotion**

Methods within promotion are time limited and action orientated. Results of these methods take place directly on the point of sales (Freyer, 2009, p.610). One of the key promotion elements are the visits of foreign exhibitions or trade fairs and the use of event marketing (Holzbauer, 2010, p.290). For the future, it might be useful to present a health destination, hospital or an intermediary at international travel fairs, as the ITB (Internationale Tourismus-Börse, biggest travel fair in the world). Furthermore, the participation on health trade fairs and exhibitions should be expanded. It is necessary to include all branches of the medical tourism industry in this kind of presentations to ensure an overall insight and transparency for the customer. Therefore, all supplier need to work closely together to let synergy effects occur and to increase the positive reflection of the image on all actors within a certain field.

- **Public Relations**

Public Relations have the function to inform and to convince. Therefore, these actions should lead to an improved image in the long term. If public relation methods are used correctly, the trust in information and the image itself can be strengthen (Gerke, 2007, p.290). Possibilities for the use of public relation methods are for example press releases, which can occur for an event or an exhibition. A further Public Relation method is the organization of Fam Trips (Freyer, 2009, p.612). In best case, Fam Trips lead to a positive report about the destination and the current offer. As the report is given from an unconcerned person, the information seems to be very trustfully and transparent (Cole, 2000, p.292). In terms of medical tourism, the

organization of fam trips could include the invitation of foreign experts, as doctors or foreign employees in the health industry.

In conclusion, the current situation in terms of marketing concepts within the medical tourism industry and its destinations is diversified. To attract customers, intermediaries, supplier and the local government need to work closely together.

Furthermore, a lot of possible marketing methods are existing, which can support and push the demand for a medical tourism product. Medical tourism supplier need to keep in mind, that the human health is a very sensitive topic. Therefore, the positive feedback of testimonials and foreign medical specialists is the key to every successful marketing concept. Only with the support of foreign experts and patients it is possible to build a trustworthy marketing strategy. This strategy can be supported by the methods mentioned above, which should be chosen and used carefully. Like that, a presence and availability in the international market can be achieved, without overwhelming a possible future patient.

4. Conclusion

In conclusion, the great potential of the medical tourism market is undisputed. The aim of the research work is to concentrate on the research of marketing opportunities in the medical tourism and therefore to provide the theoretical knowledge for a further analysis and development.

The main findings of the research paper are presented in the following:

1. Medical tourism does not need to be limited due to social reasons related to the health care system and can even improve the infrastructure and facilities within a certain country.
2. While highly developed countries are seeking for a privatization of the health-care sector, developing countries need a strong support of the government for the creation of a medical tourism industry.
3. Possible future consumer use newspapers, Internet, radio, books, but especially personal contacts and references to research about medical tourism.
4. The situation in terms of a Marketing concept is diversified, as destinations, intermediaries and clinics promote themselves differently and separately. A close connection between all actors within the industry is necessary.
5. Medical tourism supplier need to keep in mind, that the human health is a very sensitive topic. Therefore, the positive feedback of testimonials and foreign medical specialists is the key to every successful marketing concept.

As the existing situation in terms of marketing within the industry is inhomogeneous, a structured concept can lead to a competitive advantage. The above findings make the complexity of a marketing concept clear. The given hypothesis, which points out, that the marketing opportunities within the field of medical tourism are not fully exhausted yet, can therefore be justified.

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Kopsavilkums

Medicīniskā tūrisma nozare ir salīdzinoši maz pētīta joma. Šī pētījuma teorētiskās daļas mērķis ir vērsts uz mārketinga iespēju izpēti medicīnas tūrismā, tādejādi sniedzot teorētisko pamatojumu turpmākajiem pētījumiem. Pētījuma hipotēze - mārketinga iespējas medicīnas tūrismā nav pilnībā izmantotas. Lai pārbaudītu izvirzīto hipotēzi, pētījumam tika noteikti šādi uzdevumi:

- analizēt patērētāju uzvedību kā pamatu mārketinga stratēģijas attīstībai medicīnas tūrisma jomā;
 - sniegt teorētisku pārskatu par izmantotajām mārketinga metodēm medicīnas tūrisma jomā
- Izmantotās pētījuma metodes: loģiski konstruktīvā metode, grafiskā metode, sintēzes metode, analīzes metode, monogrāfiskā jeb aprakstošā metode. Pētījuma teorētiskā bāze sastāv no zinātnisko pētījumu un rakstu analīzes, ES, Kanādas un ASV statistikas datu analīzes, nozares literatūras analīzes. Pētījums tika veikts laika periodā no 2017.gada janvāra līdz maijam.

Svarīgākie secinājumi par pētījuma rezultātiem:

1. Medicīnas tūrismam nav jābūt ierobežotam sociālo iemeslu dēļ, kas saistīti ar medicīnas sistēmu, tieši pretēji tas var uzlabot infrastruktūru un medicīnas iestādes valstī.
2. Kamēr augsti attīstītās valstis meklē veidus kā privatizēt veselības aprūpes sektoru, attīstības valstīm ir nepieciešams atbalsts no valdības, lai attīstītu medicīniskā tūrisma jomu.
3. Iespējamie medicīnas tūrisma patērētāji lieto tādus medijus kā avīzes, internetu, radio, grāmatas, taču īpaši uzticas personiskajiem kontaktiem un pētījumiem par medicīnas tūrismu.
4. Situācija tūrisma mārketinga jomā ir mainījusies, jo tā galamērķi - klīnikas, reklamē sevi daudzveidīgi un atsevišķi. Ir nepieciešama cieša saikne un sadarbība starp iesaistītajiem nozarē.
5. Medicīnas tūrisma pakalpojumu sniedzējiem ir jāatceras, ka cilvēku veselība ir ļoti jūtīgs temats, tāpēc pozitīvas atsauksmes ir mārketinga panākumu atslēga.